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SENSITIVE
SIPDIS
ISN/RA RICHARD NEPHEW, ISN, T, AND NEA/IR

E.O. 12958: N/A
TAGS: [PGOV](#) [PREL](#) [PINR](#) [ENRG](#) [EPET](#) [ETTC](#) [IN](#) [IR](#) [KNNP](#) [MNUC](#) [PARM](#)
EFIN, AO
SUBJECT: FOREIGN MINISTRY TAKES ON BOARD RISKS ASSOCIATED WITH
SONANGOL'S REPORTED INVESTMENT IN IRAN

REF: A. STATE 2957; B. STATE 15979; C. STATE 15554; D. LUANDA 39

¶1. (SBU) In separate meetings at the Foreign Ministry on February 24, Ambassador Mozena relayed U.S. concerns regarding developments in Iran (Refs A, B, and C) to the Director for Middle East and African Affairs Amb. Nelson Cosme and to Director Americas Balbina Malheiro Dias da Silva. Mozena shared with both that the U.S. has seen reports that state oil company Sonangol has signed an agreement to participate in a USD 7.5 billion investment in developing Iran's oil sector (Ref A). Mozena said Sonangol's participation in such a venture would raise serious concerns under the Iran Sanctions Act, making clear that a Sonangol investment of this nature could trigger the Iran Sanctions Act, which would have negative consequences. Mozena urged that the Angolan government communicate these concerns to Sonangol soonest and make clear to Sonangol not to proceed with these investments. Both Cosme and Da Silva took Mozena's message onboard and committed to ensuring that our concerns were relayed to Sonangol. Although this demarche had earlier been conveyed to the Ministry of External Relations (Ref D), the Ambassador sought to underscore the importance of this issue to the U.S. and the potential negative consequences for the relationship if Sonangol were to proceed with significant investment in the Iranian oil sector. The Ambassador will elevate the issue further during his March 1 meeting with MIREX Minister of State Gamboa.

¶2. (SBU) Ambassador Mozena shared with both Cosme and Da Silva U.S. concerns over the recent Iranian decision to enrich uranium to 20 percent. Mozena stressed that such enrichment was not an effective or timely manner for achieving Iran's stated objective of procuring medical isotopes. Thus, the U.S. has concerns about Iran's true motivations for enriching the uranium. Mozena assured both interlocutors that the U.S. stood ready to work with Iran in a constructive fashion to ensure that Iran's needs for medical isotopes were met. Cosme was familiar with the issue and queried to clarify that the U.S. was indeed prepared to help Iran acquire medical isotopes. He and Da Silva both took on board the U.S. position on the matter.

¶3. (U) Ambassador also informed both Cosme and Da Silva of recent U.S. decisions to implement sanctions against one individual and four entities related to Iran's Islamic Revolutionary Guard Corps. Mozena explained that the individual and entities were sanctioned for their activities in support of proliferation and terrorism. Both Cosme and Da Silva took the Ambassador's message without comment.

¶4. (SBU) COMMENT: Post will continue to underscore to the GRA at the highest possible levels that any Sonangol investment in the development of Iran's oil industry would raise serious concerns with possible negative consequences under the Iran Sanctions Act, concerns that could be magnified in the future should additional legislation currently under consideration become law. END COMMENT
MOZENA